

**SNOHOMISH COUNTY FIRE PROTECTION DISTRICT NO. 4**  
**Snohomish County, Washington**  
**January 1, 1990 Through December 31, 1992**

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**Schedule Of Findings**

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1. Fire District Officials Should Not Give Gifts Of Public Funds

Fire District officials made a payment of \$556.15 to the Silver Dollar Club on November 12, 1992. The Silver Dollar Club is a private organization which gives employee awards to firefighters for years of service. Normally, the fire districts are not asked to reimburse this organization for the awards given. However, in 1992 the Silver Dollar Club was low on cash funds and requested that Fire District No. 4 officials repay them for a ring that was given to a fire district employee for twenty years of service.

Article VIII, Section 7, of the *Constitution of the State of Washington* states in part:

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company, or corporation . . .

We are of the opinion that the payment of \$556.15 for an employee award constitutes a gift of public funds.

Apparently, district officials were not aware of the gift of public funds provision in the state constitution.

We recommend district officials comply with the state constitution, and refrain from making future gifts of public funds.

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**Schedule Of Federal Findings**

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1. All Costs Claimed On Federal Grant Projects Must Comply With Grant Requirements And Be Supported By Adequate Documentation

As a result of an interlocal agreement between the district and Snohomish County, Fire District No. 4 was a subrecipient for Washington State Department of Transportation (WSDOT) funds in 1991. The funds were distributed to the fire district to provide for the extra manpower expenses incurred during the construction of the new Dubuque Road Bridge No. 15. Fire district officials did not comply with the interlocal agreement and with the grant requirements in the following areas:

- a. Fire district officials did not adequately support the payroll costs charged against the project. There were two months in 1991, July and August, in which district officials submitted one employee's time sheet for the total hours charged. There were actually two people working on the project in July and there were three people working on the project in August. In addition, in the month of October, there were 54 hours billed to the project which were not supported by time sheets.
- b. Wage rates billed to the project did not always correspond with actual wage rates earned by the employees. Documentation explaining these differences was not available.

Time sheets indicated that related costs should have totaled \$8,211. District officials charged the project \$9,590. Consequently, we are questioning costs of \$1,378.

- c. Fire district officials claimed compensation time which was earned prior to the "authorization to proceed" notice. These claimed costs are prohibited by the terms of the interlocal agreement. There were 14 hours of compensation time, totaling \$190, which should not have been charged against the project.

Apparently the fire district officials were not aware of their responsibility to maintain adequate supporting documentation for all charges made against the county for the federally funded project.

OMB Circular A-87 (cost principles) states in part, that all costs claimed on federal grant projects must be adequately supported by vendor invoices or other appropriate documentation.

We recommend the district officials either repay the total questioned cost of \$1,568 to the county/WSDOT or do the following:

- (1) Prepare and submit time sheets to county officials for the actual time worked

on the project by the individual employees.

(2) Use the actual pay rate of the employee working on the project when calculating the reimbursement. All documentation should be retained to support the wage rate used.

(3) Charge only the payroll wages earned after the "authorization to proceed" notice.